

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE INTERROGATORIES
TO PRC WITNESS WILLIAM WEED (PRCWIT-T-1)
USPS/PRCWIT-T1-1 THROUGH USPS/PRCWIT-T1-26**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the United States Postal Service respectfully submits the following interrogatories and requests for production of documents to Postal Regulatory Commission witness William Weed: USPS/PRCWIT-T1-1 through 26.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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USPS/PRC-T1-1

The analysis presented in Table 5 of PRCWIT-T-1 involves only Labor Distribution Codes (LDCs) 11 through 18 work-hours.

- (a) Do you agree that there are many additional work-hours in other LDCs that could be saved by site consolidation?
- (b) Did you attempt to analyze potential savings associated with other LDCs beyond those for which analysis is presented in either PRCWIT-T-1 or PRCWIT-2? If so, please describe those efforts and produce the results of any such analysis.

USPS/PRC-T1-2

On page 11 of PRCWIT-T-1, you state: "I included the N-TPH volume data in this summary because the data exists in the data files." Please explain how these data were used and what effect they had on your results and conclusions.

USPS/PRC-T1-3 On page 18 of PRCWIT-T-1, you state: "After the AMP is completely implemented, the start of the 'after-cost-period' begins and continues for a one-year period."

- (a) Please define what you mean by "completely implemented."
- (b) Do you agree that operational data for a period of time after implementation of a significant operational change may reflect that a transitional learning curve is taking place and that operational performance may improve over time after implementation is initiated?
- (c) Please explain the relationship between the "post-implementation review" period in the USPS Handbook PO-408 (USPS Library Reference N2012-1/3 and the "after-cost period" to which you refer?

USPS/PRC-T1-4

Please refer to PRCWIT-T-1 at Table 10 and Exhibits 11 through 13. Please explain your understanding of the impact of overall volume declines on the AMP consolidation results that you analyze there.

USPS/PRC-T1-5

Is it your understanding that the AMP operational consolidations listed in Table 9 of PRCWIT-T-1 involve either the elimination of or a substantial reduction in the overnight service standards for First-Class Mail originating in or destinating at the affected facilities? If so, please explain the basis s for that understanding.

USPS/PRC-T1-6

On page ii , footnote 1 of PRCWIT-T-1, you provide the following reference <http://www.canadapost.ca/cpo/mc/aboutus/corporate/postaltransformation/default.jsf> Retrieved April 19,2012

For the benefit of those who are unable to get the link to function, please provide a library reference containing a copy of the documents and/or materials expected to be accessible via the link.

USPS/PRC-T1-7

- (a) Would it be fair to characterize Canada Post Lettermail™ and USPS First-Class Mail as functionally or roughly equivalent product offerings? If you do not agree, please explain fully.
- (b) Please review the materials accessible at the link below and confirm that the service standard for Canada Post Lettermail™ ranges between two and four days (exclusive of the Northern Provinces and remote centres). In doing so, state whether these service standards were in effect during your work with Canada Post.

See: <http://www.canadapost.ca/cpo/mc/personal/productsservices/send/lettersdocuments.jsf>

USPS/PRC-T1-8

- (a) As a result of your work with the Postal Transformation Plan with Canada Post, did you reach any qualitative or quantitative conclusions regarding whether establishment of an overnight service standard for Lettermail™ would increase the cost of operating the Canada Post mail processing, transportation and/or delivery networks?
- (b) If your response to part (a) is not unconditionally negative, please state all such conclusions and provide copies of any related analysis that you published or otherwise conducted.

- (c) If you otherwise have an opinion regarding whether establishment of an overnight service standard for Lettermail™ would increase the cost of operating the Canada Post mail processing, transportation and/or delivery networks, please state your opinion and its underlying basis.

USPS/PRC-T1-9

- (a) As a result of your work with the Postal Transformation Plan with Canada Post, did you reach any qualitative or quantitative conclusions regarding whether establishment of an overnight service standard for Lettermail™ would require additional capacity requirements for the Canada Post network?
- (b) If your response to part (a) is not unconditionally negative, please state all such conclusions and provide copies of any related analysis that you published or otherwise conducted.
- (c) If you otherwise have an opinion regarding whether establishment of an overnight service standard for Lettermail™ would require additional capacity requirements to the Canada Post network, please state your opinion and its underlying basis.

USPS/PRC-T1-10

- (a) As a result of your work with the Postal Transformation Plan with Canada Post or otherwise, are you aware whether Canada Post performs delivery point sequencing of letter mail volume?
- (b) If your response to part (9) is affirmative, to your knowledge, what percentage of letter mail processed by Canada Post is delivery point sequenced?
- (c) To your knowledge, what are the current general delivery point sequencing operating windows for Canada Post?

USPS/PRC-T1-11

Please refer to page 33 of PRCWIT-T-1 and your alternative processing window for retaining overnight First-Class Mail delivery. What is your estimate of the cost savings associated with your alternative?

USPS/PRC-T1-12

- (a) In your work with the Postal Transformation Plan with Canada Post, did you analyze the assignment of Delivery Bar Code Sorters (DBCS) sort schemes to determine the quantity of DBCS required on either a network-wide or facility-specific basis?
- (b) If your response to part (a) is not unconditionally negative, provide please state all such conclusions and provide copies of any related analysis that you published or otherwise conducted.

USPS/PRC-T1-13

At page 13, lines 7-13 of PRCWIT-T-1, you state:

In a recent study I performed for CPC, I evaluated the feasibility of utilizing the tray handling system, motorized power vehicles, or manual transport to move trays from the final sweep of the sequence run (DPS) to the dock. As one would expect, the row of machines closest to the dispatch dock had a much lower material handling cost than machines that were farther from the dock or required elevator transport in order to reach the dock. The study determined that the cost-driving variable was distance, and the larger the facility, the greater the distance to get to the dock.

- (a) Please provide a copy of the study referenced above.
- (b) Please explain how the length of the operating window can affect the feasibility of using a tray handling system?

USPS/PRC-T1-14

When your testimony was filed, did you have sufficient information with which to determine whether the “alternative ... to continue to process local originating mail in the current operating plan window for the outgoing primary” described in section IV.B of your testimony:

- (a) would achieve a greater consolidation of the Postal Service’s mail processing network as compared to the operational changes proposed by the Postal Service in this docket?
- (b) would achieve greater cost savings than the operational changes proposed by the Postal Service in this docket?

USPS/PRC-T1-15

At PRCWIT-T-1, page 27, line 16 in describing mail processing in 1987, you mention or use the phrase "automated selector/segment."

- (a) Would it be correct to assume that you are referring to "automated sector/segment" processing? If not, please fully describe the role of "automated selector/segment" processing and its outputs or results.
- (b) Do you recall what percentage of USPS letter mail was subjected to sector/segment sortation in 1987? If so, what is your understanding of how that figure compares to the percentage of USPS letter mail today that is delivery point sequenced?

USPS/PRC-T1-16

- (a) What is your understanding of the relative proportion of First-Class Mail consisting of single-piece letters in (calendar or fiscal year) 1987 compared to any of the most recent several calendar or fiscal years?
- (b) What is your understanding of the relative share of letter mail requiring outgoing sortation currently relative to 1987?

USPS/PRC-T1-17

In PRCWIT-T-1, at page 28, lines 13-15, you state:

The smoothing technique was to schedule employees at the earliest possible start time and not run out of mail, then to structure employee start-time groups.

- (a) Please explain this technique fully.
- (b) Would you agree that the later the start time, the greater the risk of failing to finish running all the mail on time? If you do not agree, please explain.
- (c) Would you agree that the earlier the start time, the greater the risk of idle workers?

USPS/PRC-T1-18

At PRCWIT-T-1, page 27, lines 2-10, you state:

Witness Neri discusses a number of mail processing scheduling and staffing opportunities that will exist in the new operating windows. He cites "...smoothing the processing profile..." and states, "As processing windows are expanded and the workload is balanced across the mail processing day, the Postal Service would be able to manage processing operations effectively, match work-hours to workload, and plan for peak load issues." [fn. omitted] These scheduling and staffing management opportunities are not new to the USPS, and I would question why the USPS does not apply scheduling and staffing tools to current operations, rather than wait for a change in the processing window.

Do you agree that longer processing windows would generate opportunities to gain such efficiencies? If you do not agree, please explain.

USPS/PRC-T1-19

Please refer to page 28, lines 10 to 19 of PRCWIT-T-1.

- (a) Please identify the PRC docket and the testimonies and/or library references in which the tools referenced at lines 15-17 were presented.
- (b) Please provide copies of the studies referenced at lines 12-13 that serve as the foundation for the assertion that "these idle-time studies generally identified 3 to 5 percent productivity improvement opportunity." In doing so, indicate the postal facilities, operations and time periods covered in these studies.

USPS/PRC-T1-20

At PRCWIT-T-1, page 26, line 10 to page 27, line 2, you state:

At best, he provided a hypothetical example of how much idle time would be available if one were to arbitrarily use a single data point (busiest hour)²⁵ to determine the number of employees required to work during each eight-hour tour.

Does your Table 11 on page 24 calculation of TOTAL staffing for the hours 2200 to 600 confirm or support the notion that the busiest hour "determine the number of employees required to work during each eight-hour tour"?

USPS/PRC-T1-21

At page iii of PRCWIT-T-1, you state:

In 1987, I initiated the Saturday Area Mail Processing (AMP) of for all Western Washington Plants into the Seattle Plant. In 1988, I initiated the outgoing secondary concentration center AMP by consolidating all Outgoing Secondary operations for four Western Washington plants into the Seattle Air Mail Center (AMC).

- (a) Please provide your recollection of the nature of the analysis conducted and decision-making process involved in determining the feasibility of the Saturday consolidation to which you refer and describe your role in the decision-making process. In doing so, indicate your recollection of whether the USPS Handbook PO-408 Area Mail Processing guidelines then in effect were employed and your understanding of whether the term "Saturday AMP" is commonly used to refer to operational consolidations that do not involve use of the USPS Handbook PO-408 feasibility review process.
- (b) Please describe the operations that were consolidated in the course of the 1987 Saturday AMP to which you refer or to Saturday AMPs in general. In doing so, explain your understanding of the expected source(s) of operational efficiency and cost savings.
- (c) What conditions prompted and enabled implementation of the 1987 Saturday mail processing consolidations to which you refer? In responding, state your recollection of Saturday mail volume relative to other days of the week.
- (d) Where an overnight First-Class Mail service standard applies, please confirm that a key factor in determining the feasibility of a Saturday AMP is the status of Sunday as a non-delivery day. If you do not confirm, please explain.
- (e) Please state your understanding of any factors, including overnight service standards, that could make implementation of the same operational consolidations (as are involved in a Saturday AMP) infeasible during other days of the week.
- (f) Please state your recollection of the nature of the 1988 "outgoing secondary concentration center AMP" described at lines 4-6 and whether it involved an application of the USPS Handbook PO-408 or any changes in service standards.

USPS/PRC-T1-22

In your PRCWIT-T-1 analysis to determine DBCS usage by hour, incoming primary and outgoing both end at 23:00 in Tables 16 and 17.

- (a) Please explain how incoming primary sortation can end without having time to process the last of the local mail from the outgoing primary operation?
- (b) Please explain why the DBCS requirements associated with your proposed alternative (which retains more overnight delivery) in PRC WIT-T-1 Table 17 (of 2,659) are lower than what you have estimated as DBCS requirements for the Postal Service's proposal in Table 15 (3,253)?

USPS/PRC-T1-23

At PRCWIT-T-1, page 26, lines 4-7, you state:

I would not try to make too many detailed conclusions from the other percentage differences between volume and hours because of the data assumptions. As stated above, spreading the total volume among the machine's overall start and stop time created the volume percentage profile. This means that the volume processed is averaged over lunch periods, while the work-hour data excludes the lunch periods.

Your Figure 1 on page 26 shows a significant peak in the percentage of volume between 3 a.m. to 5 a.m. Is it your view that the "spreading of total volumes among the machine's overall start and stop time" would tend to suggest that the percentage of volumes sorted between the hours 3 a.m. to 5 a.m. have been overstated?

USPS/PRC-T1-24

On pages 25 and 26 of PRCWIT-T-1, you discuss the implications of the differences between the (percentage of) workhours and volumes in Figure 1 on page 26.

- (a) Do you agree that for hours during which the percentage of volume exceeds the percentage of workhours, higher processing productivity is generally obtained? If you do not agree, please explain.
- (b) Do you agree that the Figure 1 indicates (omitting tour 2) that the highest productivity is during the high volume hours of 3 a.m. to 5 a.m.? If you do not agree, please explain. If you do agree, does this suggest excess staffing in the rest of the hours of tour 1?

USPS/PRC-T1-25

At PRCWIT-T-1, at page 29, lines 6 to 12, you state:

Using the data for the automated letter processing that was presented in Table 11 above, I converted the work hour by hour data into number of automated letter machines that are required to process automated letter mail over a 24-hour period. This is a Rough Order of Magnitude (ROM) macro analysis and is provided to visually display the differences between the three alternatives, using the FY2010 base data and looking at the total machine requirements as if there was only one plant.

- (a) Please confirm that one reason you refer to your approach as "ROM" is that that you assume all sorting is performed at one site? If you do not confirm, please explain. In discussing the implications of this "one-site" assumption, please explain whether they include a tendency to either understate or overstate DBCS requirements.
- (b) Is another reason for your ROM characterization that your analysis makes no distinction between the types of DBCS -- including types such as Delivery Barcode Sorter w/Input Output Sub-System (DIOSS) and Combined Input Output Sub-System (CLOSS)? If you do not confirm, please explain.
- (c) Is your PRCWIT-T-1 determination of DBCS run by hour in Tables 12-17 based on consideration the various types of DBCS? If so, please specify the numbers of DIOSS and CLOSS needed.
- (d) Is it your view that the Postal Service would generally use CLOSS and DIOSS in performing Delivery Point Sequencing?
- (e) If your calculations had made the distinctions on DIOSS, CLOSS, as well as remaining DBCS and did not use DIOSS and CLOSS in DPS sorting -- how would that have affected your estimates on total DBCS required?
- (f) Has your determination of the amount of DBCS run per hour, in Tables 12-17 considered the need to do DPS for an entire 5-digit or post office on one DBCS machine? That is, did your determination of DPS requirements consider the specific assignment of DPS schemes to machines? If not, what are the implications of not considering this constraint?

USPS/PRC-T1-26

At PRCWIT-T-1, page 33, lines 13-14, you introduce an "alternative ... to continue to process local originating mail in the current operating plan window for the outgoing primary." With respect to this alternative, please indicate whether you conducted each action listed below?

- (a) Mail processing plant modeling and potential plant consolidation modeling in connection with local plant mail arrival profiles.

- (b) Mail processing plant modeling and potential plant consolidation modeling in connection with local plant operating plans.
- (c) Mail processing plant modeling and possible plant consolidation modeling in connection with intra/inter overnight delivery opportunities on a seven-day schedule.